



INDEPENDENT AUDIT AND PERFORMANCE COMMISSION (IAPC)

Minutes of the Tuesday, February 3, 2015 Meeting

Location: City Hall – 255 W. Alameda, Budget Conference Room, 4th Floor West, Tucson, AZ

Members Present: Robert Clark (Ward 5), David Cormier, Vice Chair (Ward 1), Mark Crum (Ward 2), Jim Hannley (Ward 3), Ed Hubert (Ward 6), Kevin Oberg, Chair (Ward 4); Jeff Singleton (Mayor)

Members Absent: None

Staff: Silvia Amparano, Finance Director; Joyce Garland, Budget and Internal Audit Program Director; Dave Phillips, Audit Lead Principal, CliftonLarsonAllen; Jose Martens, Audit Manager, CliftonLarsonAllen; Bob Kulze, Interim Internal Audit Manager (Ex-Officio Commission Member), Diane Link, Administrative Assistant

Roll Call: 3:00 P.M. A quorum was established.

1. Presentation of the FY 2014 Comprehensive Annual Financial Report (CAFR)

Ms. Amparano made a presentation to the IAPC that highlighted the information contained in the FY 2014 CAFR. Ms. Amparano fielded and answered questions. No action was taken.

Mr. Phillips and Mr. Martens made a presentation to the IAPC with an overview of the audit scope, results to date, management letter, communications with those charged with governance, and new accounting pronouncements. Messrs. Phillips and Martens fielded and answered questions. No action was taken.

Mr. Hubert left at 4:00 P.M. and returned at 4:03 P.M. A quorum was maintained.

2. Approval of the January 7, 2015 IAPC Meeting Minutes

It was moved by Mr. Crum, duly seconded, to approve the minutes. The motion was carried by a voice vote of 7 to 0.

3. Staff Update

Ms. Garland welcomed Mr. Singleton to the IAPC and provided an update on the following:

- Deputy City Manager Kelly Gottschalk will present information on the public safety pension system (PSPRS) at the February 4th Mayor and Council meeting. This will be a large discussion item for the FY 2016 budget.
- There will be a presentation of the FY 2016 budget at the February 18th Mayor and Council meeting. The PSPRS will be leading the discussion; other critical needs will also be presented.
- Requests for Internal Audit work continue to be received from the departments. These are being worked into the schedule as current staffing allows.

Ms. Garland fielded and answered questions. No action was taken.

4. Presentation on and Discussion of Public Banking

Mr. Hannley presented an outline of public banking. The outline included a brief description of the organization, functions, and mission of a public bank. Mr. Hannley asked the IAPC to authorize the formation of a subcommittee to determine if the funding of a formal

feasibility study of public banking by the City would be appropriate. Mr. Hannley and Ms. Garland fielded and answered questions. There was discussion. No action was taken.

5. IAPC Pension Subcommittee Update

Mr. Cormier, Subcommittee Chair, provided an update. There have been two meetings with in-depth discussion. There will be a third meeting to discuss and possibly complete a report. No action was taken.

6. Approval of Draft IAPC Six Month Activities Report to Mayor and Council

Mr. Kulze presented the six month report of activities to the IAPC. It was moved by Mr. Hubert, duly seconded and carried on a voice vote of 7 to 0, to approve the report as written.

7. FY 2015 Internal Audit Plan – Second Quarter Update

Mr. Kulze presented the second quarter update of the FY 2015 Internal Audit Plan to the IAPC. Mr. Oberg asked the IAPC members, given the workload and limited resources currently available to Internal Audit, to carefully consider the future topics on which the IAPC chooses to engage. No action was taken.

8. Call to the Audience

No one spoke.

9. Future Agenda Items

Future meeting agendas were discussed. No action was taken.

Adjournment: 5:04 P.M.